

INTERNATIONAL CITY MANAGERS' ASSOCIATION
1313 EAST 60TH STREET - CHICAGO 37, ILLINOIS

Route To: _____

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SCHEDULING PROJECTS FOR THE ANNUAL CONSTRUCTION PROGRAM

What procedures can a city establish to insure adequate advance planning of capital projects and to make certain that projects which have been approved are properly scheduled for construction?

A modern budget system, including both annual and capital budgets, provides a sound basis for the orderly scheduling of construction projects. The long-term capital budget can be put in actual operation only on a year-by-year basis. The priority or sequence of improvements must be determined. Then comes the task of scheduling the projects and securing approval of the various steps involved. It is with the latter point that this report is chiefly concerned.

Budget Estimates on Capital Outlays. It is assumed here that the chief administrator requests department heads to submit data on capital outlay items for the next year, using either the annual expenditure estimate forms or special capital outlay forms for this purpose. Most of the capital outlay items in the annual budget are for equipment, but street pavement work and other regularly recurring items often are included in the annual budget. In any event department heads should be required to list their needs as to equipment, improvements, buildings, major repairs, and new projects together with statements of purpose, need, and cost.

Some of the larger cities require department heads to use a separate estimate form for each public works project costing over a certain amount. Information given includes a description of the project and location; a breakdown of estimated cost; proposed method of financing; whether the proposed project is new construction, repair, replacement, etc.; whether the site is available or to be purchased; status of plans; estimated increase or decrease in annual operating budget due to project; whether the project is revenue producing and if so the approximate amount per year. In addition a written justification establishes the need for the project, indicates the relative urgency of the project, and what would happen if the project were not provided. (A loan copy of a suggested project analysis form of this type together with a summary schedule may be secured on request to MIS.)

Information thus supplied by department heads assists the chief administrator in evaluating requests and in selecting the more important projects from an overall point of view. The chief administrator analyzes the departmental estimates, discusses the projects with the finance director and city planning agency and with other department heads, relates the requests to the long-term capital budget, and prepares the annual capital budget with recommendations for consideration by the council at the same time that the annual operating budget is considered. (For more information on preparing capital budgets see Chapter 12 on "Long-Term Financial Planning" in Municipal Finance Administration, published by the ICMA; an article by S. M. Roberts, "Long-Term Capital Improvement Budgeting" in the August, 1948, issue of Public Management; and MIS Report No. 53 issued in June, 1948.)

Scheduling Projects. The construction year in northern cities may begin in the spring while the fiscal year may begin on October 1 or January 1. In any event the chief administrator should request all departments to submit their projects for the annual construction program some eight or 10 weeks (or more) in advance of the beginning of the construction year. In addition to the projects requested by department-

(over)

ment heads and suggested by the administrator, consideration must be given to projects that may be proposed or originated by petitions from citizens, by individual members of the council, and by separate offices and boards and commissions which do not report directly to the city manager but whose budgets must be acted upon by the council. Ordinarily, preference should be given to projects that have been budgeted. Of even greater importance, however, is the need for considering the relative need of all the projects that are suggested for the next year. Only in this way can sound decisions be reached on priorities in relation to available funds.

Procedure Used in Selected City. The procedure developed by Kansas City, Missouri, as set forth in an administrative regulation (reproduced below) issued by the city manager to all department heads in July, 1948, can be adapted for use in other cities. In Kansas City the city manager requires that estimates of capital projects for the annual operating budget be submitted by January 15 for the fiscal year beginning May 1. Department heads later submit to the manager a project request form for each project they believe should be included in the annual construction program.

These projects, along with those proposed by others (see paragraph 3 of regulation), are then considered for inclusion in the construction program. By checking the project listed on the project request form the city manager can determine whether or not it was included in the capital improvement budget for which funds have been provided. If the project has not been previously provided for, the manager can decide whether it is to be substituted for some other approved project or whether because of its importance it should be added to the list and arrangements made for financing. After the projects have been selected, approval of the preparation of plans and cost estimates is obtained.

The next important step in Kansas City is to determine the method of financing--whether from funds which may be included in the current budget, from an appropriation in the next year's budget, from bond funds, or from other funds. It has been the practice in Kansas City to check over the list of approved projects for which no appropriations have been made as soon after the close of the fiscal year as the amount of unencumbered balances can be determined, and to provide for the most urgent of these projects by supplementary appropriations or, in some cases, from the contingent appropriation. This usually is done in the month of May, which is near the beginning of the construction season.

The prior approval of the project request by the city manager guarantees against undertaking preliminary work, engineering, etc. on projects for which financing is not available. Much time and effort is often expended by various departments under pressure from outside forces to make plans for projects which are several years away. The project approval procedure eliminates the possibility of such unnecessary expenditures.

The procedure set forth in the administrative regulation below has these additional advantages: it provides for an orderly method of developing a schedule of projects and enables the city manager and department heads to make the best possible use during the year of the men, equipment, and funds available; it provides for a method of maintaining an up-to-date schedule of projects in the city manager's office; and it provides for a method of coordinating projects of the park department, which is under a separate board appointed by the mayor, with the projects of the regular city departments. The "project request" form and the "schedule of projects" form, referred to in the regulation below and reproduced at the end of this report, can easily be adapted for use in any city.

ADMINISTRATIVE REGULATION OUTLINING A PROCEDURE
FOR SCHEDULING PROJECTS FOR THE ANNUAL CONSTRUCTION PROGRAM

1. Purpose. In order to provide a uniform method for scheduling construction projects for each fiscal year the following procedure is hereby established. This procedure is intended to furnish a listing of proposed projects to be undertaken in any fiscal year and to establish an orderly program of construction consisting of those projects which are authorized for inclusion in the program. The priority of projects in the program assigned to each department will be left to the judgment of the department director who will undertake the work, unless specific instructions to the contrary are included in Section II of the Project Request form. This procedure is also intended to avoid preliminary work on projects which cannot be undertaken because of limitation on funds or for other reasons. It is also intended through this procedure to maintain a current record and listing of all projects in the planning or construction stage and to assure progress on those projects which are desired by the council or otherwise included for current consideration.

Copies of the schedule of projects showing status of authorization, estimated cost, source of funds, estimated and actual starting dates and completion dates shall be maintained in the city manager's office and in the offices of the director of public works, superintendent of parks, and director of the water department. Posting of an approved project on the Schedule of Projects will be definite assurance that the project will be expedited as rapidly as possible.

All authorized projects not completed in any fiscal year will be included in the next Annual Construction Program and be listed in the Schedule of Projects for the ensuing fiscal year.

2. Projects to be Included. All projects involving new construction or rehabilitation or maintenance of existing facilities, estimated to cost \$1,000 or more regardless of the means of financing, shall obtain authorization as outlined herein. This shall include projects financed from operating funds, bond funds, revolving funds or direct special assessments against benefitted property.

3. How Projects May Originate for Program. All projects proposed for the annual construction program may be originated by petition, request of citizens or groups of citizens, council members, department heads, city manager, and board of park commissioners.

4. Classification of Projects. For purposes of listing in the annual construction program, all projects shall be divided into the following classifications:

- Streets, Acquisition of rights-of-way
- Grading (and related drainage)
- Paving, New
- Pavement Rehabilitation
- Curbing, Radii, Inlets and Catch Basins
- Safety Islands
- Boulevards and Park Roads, Acquisition of rights-of-way
- Grading (and related drainage)
- Paving
- Rehabilitation
- Curbing, Radii, Inlets and Catch Basins
- Sewers
- Sidewalks
- Buildings, New

(over)

Alterations to Buildings
Maintenance of Buildings
Bridges, Viaducts and Grade Separations
Water Mains
Water Plant
Parks (Acquisition)
Park Facilities (and Zoo)
Airports (Other than Buildings)
Playgrounds, Acquisition
Playground Development (Other than Buildings)
Projects not otherwise classified

5. Request Form to be Used. (a) All projects included in paragraph 2 above shall be submitted on a Project Request Form for approval before they may be undertaken. To submit a project, the initiating official shall fill in the Form in triplicate, forwarding all three copies to the proper office, as indicated in paragraph 6.

(b) In the case of projects under the park department the form is intended as a notification of projects to be undertaken, so that the program schedule will be complete; except that in the case of park projects to be financed initially from the Revolving Public Improvement Fund, approval of the form by the city manager will indicate availability of funds for that purpose.

6. How to Fill Out and Route the Request Form. The person initiating this form shall fill in the description of the project, the origin and date, and the information desired concerning financing. Unless the form originates in the public works, park, or water departments, the originating department shall forward the form to the appropriate department for insertion of engineering data. If one of these three departments originates the form, that department shall fill in all of Section I. The department inserting the engineering data shall forward all copies to the city manager's office, which will be responsible for the completion of the form and distribution of the copies. All documents of value for the analysis of the request shall be forwarded as attachments to the request form and listed in the space provided.

7. Authority for Plans and Estimates Only. In those cases where plans and estimates only are desired, approval for such will be given, but it shall be understood that additional approval must be obtained before actual construction is authorized. The Annual Construction Program Schedule will indicate those projects on which authority for plans and estimates only have been obtained.

8. Memorandum Reservations of Funds. When the director of finance receives the project request form he shall determine the availability of the requested sum within the fund named after "Method of Financing" as recommended by the city Manager. He shall set up such memorandum records as necessary to insure the reservation of the necessary funds prior to the formal encumbrance of the available monies. After indicating the availability of funds and the fact that such funds have been informally reserved, the director of finance shall return the white and blue copies of the form to the city manager for final processing, retaining the yellow, or second copy.

9. Program Schedule and Order to Proceed. (a) The city engineer and chief engineer of the water department will make the necessary arrangements for the posting of projects to the program schedule chart to be maintained in the city manager's office. (b) The third (blue) copy will be sent by the city manager's office to the department authorized to do or supervise the projected work and will serve as a proceed order.

White — Original

Yellow — Finance

Blue — Memo and Proceed Order

Form CB-10 Rev.

KANSAS CITY, MISSOURI
PROJECT REQUEST
 ANNUAL CONSTRUCTION PROGRAM

Capital Budget
Reference No. 1C-16

1947-48

(FISCAL YEAR)

I. REQUEST FOR AUTHORITY TO INCLUDE THE FOLLOWING PROJECT IN THE ANNUAL CONSTRUCTION PROGRAM:

Description of Project: Improvement of Raytown Rd. from 31st to 37th St., including acquisition of right-of-way, widening roadway to 40 feet with 8" concrete base, asphaltic concrete surface, new curbing, sidewalks and construction of new drainage facilities.

Originated By Dept. of Public Works Date Feb. 16, 1948

Engineering Data:

Classification Paving, New Status of Plans 75% complete

Estimated Cost \$138,000 Estimated Time Before Project Can Be Started 30 days after acquisition of right-of-way

Above Engineering Data Submitted: _____ City Engineer March 2, 1948
 (Signature) (Title) (Date)

Suggested Financing:

Is project provided for in current budget? No
 (Yes or No) (Amount) (Account)

If project is not budgeted, what means of financing is suggested and what account would be charged thereunder: Authorized Trafficway Bond Funds - Sale of bonds should be completed and money available by June 1, 1948.

Does suggested financing require an appropriation ordinance Yes. (After approval of Project Request, originating department shall request proper ordinance if appropriation is necessary.)

Above Financing Data Submitted _____ Dir. Pub. Works March 4, 1948
 (Signature) (Title) (Date)

II. AUTHORIZATION FOR INCLUSION IN ANNUAL CONSTRUCTION PROGRAM:

Approved Financing Use of bond funds approved. Director of Finance hereby authorized to sell sufficient bonds to cover cost.

Plans and Estimates Only ☐ Order to Proceed Issued: Date July 10, 1948
 Construction ☒ By _____

Posted on Program Schedule: Date March 15, 1948

By _____

March 10, 1948

(City Manager)

(Date)

III. STATEMENT OF DIRECTOR OF FINANCE AS TO FUNDS: Authorized and unissued bonds sufficient to finance project are available. Finance Department will proceed with sale as per schedule.

Attachments: (list)

March 20, 1948

(Director of Finance)

(Date)

The use of this project request form (size 8½ by 11 inches) is outlined in the administrative regulation on the preceding pages. This form has been filled in (except for signatures) for an actual project to illustrate how it is used.

SCHEDULE OF PROJECTS

C.B.-9

Classification - 1C - Pav
Pavements, New[illegible]

This form as used in Kansas City is 17 x 11 inches. Kept in a loose-leaf binder in the city manager's office, these sheets enable the manager to ascertain at a glance the status of any construction project. The city engineer and the chief engineer of the water department keep the schedule of projects up to date.